

file copy

EDUCATION AND THE BOROUGH

Dr. Thomas A. Morehouse
Assistant Professor of Political Science
Institute of Social, Economic and Government Research
University of Alaska

Western Alaska Teachers Convention
Fairbanks, Alaska
March 13, 1969

This paper describes the basic structure and functions of the boroughs and their overall revenue and expenditure patterns. It suggests that one of the principal problems of borough government is its "functional imbalance." From the beginning, educational interests have played a critical role in shaping the character of the borough, as well as the community's understanding and evaluation of its performance. They are also likely to have major influence in determining its future course of development.

Borough Structure and Functions

Currently, there are ten organized boroughs in the state and, with two exceptions, all were incorporated in 1963 and 1964, and all are in the more urbanized areas of the state. The exceptions are the Bristol Bay and Haines boroughs. The Bristol Bay borough was created in 1962 and is located in the rural, native Bristol Bay area. The Haines borough was incorporated in 1968 as a third-class, or "school borough." Bristol Bay is the only borough with an appointed manager rather than an elected chairman form of executive. The presiding officer of the Haines borough assembly is also that borough's executive officer.

The borough executive has overall responsibility for borough administrative affairs and personnel, except for school administrators and

teachers.¹ The elected borough chairman may introduce ordinances and veto assembly actions; these powers are denied to the manager who is appointed by the assembly and serves at its pleasure.

Assemblies run from 5 to 11 members, depending on the population of the borough. Home rule and first-class cities within the borough are represented on the assembly by one or more city councilmen. Borough residents outside these cities elect their own representatives directly to the assembly. The non-city areas have a majority of assembly members, but where city populations are larger than those outside, weighted voting is used in the assembly so that the city majority prevails on areawide issues specified by law. On the other hand, this voting arrangement provides that non-city assemblymen may prevail on votes concerning non-areawide (outside city) matters.

There are no home rule boroughs. All the boroughs have second-class status except for Juneau, a borough of the first class, and Haines, a borough of the third class. Except for Haines, all boroughs are responsible on an areawide basis for the three mandatory functions of education, tax assessment and collection, and planning and zoning. The Haines borough exercises the areawide education and tax functions only. Certain additional areawide powers such as health protection, dog control, and libraries have been assumed in most boroughs. This, however, has not generally resulted in any significant increase in the actual scope and impact of borough government as measured, for example, by expenditures. The non-areawide (outside city) powers of boroughs tend to be concentrated in service areas.

¹ School administrators and teachers are under the State Teacher's Tenure Act, and are responsible to an elected school board through a superintendent appointed by the board.

Table 1 Characteristics of Boroughs

Borough	1960 Population	Area (sq.miles)	Additional Areawide Powers	H.R. and 1st Class Cities
Bristol Bay	1,015	600	Fire, Police	None
Fairbanks- North Star	25,000	7,500	Flood control, Dog control, Hospital, Library	Fairbanks, North Pole
Gateway- Ketchikan	8,875	1,242	Airport	Ketchikan
Greater Anchorage	66,600	1,500	Health, Sewers, Dog control, Libraries	Anchorage
Greater Juneau	9,745	3,108	Hospital, Dog control	Juneau, Douglas
Greater Sitka	6,690	2,871	Dog control	Sitka
Haines	904	2,200	None	Haines
Kenai Peninsula	9,053	14,994	None	Kenai, Homer, Seward, Seldovia, Soldotna
Kodiak Island	4,450	4,500	Health, Hospital	Kodiak
Matanuska- Susitna	5,188	22,909	Parks and recreation	Palmer

Most of the boroughs have at least one service area in which a higher mill rate pays for special services such as road maintenance, fire protection, and water and sewer facilities. Establishment of a service area, enumeration of its powers and bonding must be approved by a majority of the voters residing in the service area. The borough is responsible for

administering service area programs, and for assessing and collecting the additional taxes.

There is a separately elected school board in each borough. Again, Haines is an exception; there, the borough assembly also serves as the school board. The school boards appoint the school superintendent, adopt a budget for operating and capital expenses, hire architects and select building designs, and are responsible for the routine maintenance and operation of the school plant. The borough assembly reviews the total school budget, but has approval authority only with respect to the local revenue share which generally runs from a third to half of the school budget. The assembly selects school sites and approves the board's selection of architects and building designs. The assembly is also responsible for the actual construction and major rehabilitation and repair of the school plant.

The mainstay of locally-generated revenues in the boroughs is the property tax. All boroughs levy real and personal property taxes. These taxes currently account for about one third of aggregate borough revenues. State support to public education through the School Foundation Program accounts for another third, and federal transfers, primarily for "federal impact" schools, amounts to some 10 to 15 percent of total borough revenues. The remaining 20 percent of overall revenues is accounted for by various other state supports and local sales and use taxes. Five of the boroughs levy sales taxes, and these provide significant revenues where they are used.

In addition to assessing and collecting property taxes for their own support, the boroughs collect property taxes levied by the cities within their jurisdiction, returning to the cities the amounts collected minus

costs of administration. Similar arrangements are made where borough and city sales taxes overlap.

Table 2 Borough Revenues and Expenditures, Fiscal Year 1967

Revenues	Per cent	Expenditures	Per cent
Property tax	33	Education	87
Sales and other taxes	7	Debt service	5
State support for schools	34	Financial admin.	2
Other state transfers	10	General control	2
Federal transfers	13	Health & welfare	2
Other revenues	4	Other functions	3

SOURCES: Borough budgets and financial statements

As is evident in Table 2, less than half of aggregate borough revenues are locally-generated. And on the expenditure side, it is obvious that education--even allowing for differences among boroughs--is overwhelmingly the borough function. Accordingly, locally-generated revenues as well as federal and state supports are directed primarily to the education function. In the borough governmental system, both fiscal inputs and service outputs are tied to the semi-autonomous educational component of that system. Thus, the capacity of the borough to deliver benefits to the community in the form of valued services, and to take whatever credit may be due, is limited not only by its own fiscal dependence, but by the relative fiscal and electoral independence of the school board as well.

Limitations on Borough Functions

In its local government report to the Alaska Statehood Committee in 1959, the Public Administration Service (PAS) held that "the substance of local government is...in the services it renders to the community. These

are its only justification for existence."² The PAS consultants had little to say, however, about what these services specifically should be in the case of boroughs. Their reluctance to prescribe a single formula for the allocation of functions between state, borough, and city levels is understandable. The allocation of functions would depend on the concomitant distribution of tax resources, and recognition of widely varying needs, problems, and capabilities within the state. Conditions affecting the allocation of functions and resources, moreover, would change over time. Thus, "the State will necessarily be engaged in the continuing process of drawing a shifting line between state and local functions and responsibilities, including the responsibility for financing governmental activities whether carried on by state or by local agencies."³

Yet, the Borough Act of 1961 did prescribe a basic set of functions for all boroughs, and the Mandatory Borough Act of 1963 tied this prescription to specified areas whose only common denominator was that they contained independent school districts. It was thus on the organizational base of these school systems, and the major cities with which they were associated, that borough government was imposed. From the start, therefore, the definition of borough functions was limited by (1) the attempt to prescribe a uniform formula for very different areas of urban and rural settlement, (2) resistance by established school organizations to full absorption into the new borough structure, and (3) the interest of cities in preserving their own functional and territorial integrity. The borough system established by

²Public Administration Service, Local Government Under the Alaska Constitution, (Chicago, 1959), p. 75.

³Ibid., p. 9.

the state was a compromise of these conflicting forces, but it did not succeed in eliminating the conflicts. Nor was the borough initially equipped to attract new support from the community by virtue of the services it could provide.

One of the borough's three required areawide functions is land use planning and zoning. Perhaps by most of the people concerned or affected, this is viewed more as a control or police function than as an important urban service. The borough also serves as a property tax assessment and collection agency. This is a necessary, but politically unpleasant, house-keeping function; it does not help any governmental unit build a constituency. Most of these taxes, in turn, support local public education (the third borough function), but school boards, with their own electoral and fiscal bases, continue to operate much as they did before boroughs were established.

The borough, therefore, has received little credit in the community for the performance of significant functions, including education. More often, it is the focus of taxpayer resentment and criticism. The borough, after all, assesses and collects the taxes. The school board still "provides" the valued services. At the same time, cities continue to provide virtually all basic urban services to city residents. On the other hand, the most satisfied "customers" of the borough have typically been the residents of borough service areas. In many cases, they prefer to buy public services piecemeal from the borough rather than "risk" annexation to the city. The borough has thus become a counterforce to city annexation programs.

An unsuccessful attempt was made with the Mandatory Borough Act of 1963 to remedy the functional imbalance bequeathed by the 1961 borough law. The principal author of the 1963 act sought to include police, fire, road, health, economic development and other powers in the borough package. Few were in favor of such a move, however. In the first place, boroughs had not yet been created. There was nothing to show their capability of performing even the minimum functions assigned to them by law in 1961. Second, the cities opposed further encroachment on their traditional responsibility for the performance of local services. Third, state functional agencies, particularly the highway department, objected to any dismantling and parceling out of any part of their programs. Finally, borough advocates and sponsors lacked significant political support and there were no borough constituencies.⁴ Thus, insofar as borough functions were concerned, the 1961 act remained unchanged.⁵

Of the three required functions, much conflict has revolved around education and the school board-borough assembly relationship. While the stakes are not as great as in the case of schools, there have been substantial differences between the boroughs and cities over the allocation of planning and zoning responsibilities as well. Both cases point to a general condition which affects all of the borough's relationships with cities and school organizations: The borough laws are products of necessary but ambiguous political compromises which do not eliminate institutional

⁴Cf. R. Cease and R. Saroff, eds. The Metropolitan Experiment in Alaska (New York: Praeger, 1968), pp. 93ff., 103-104.

⁵The land selection incentive of the 1963 act, however, provides the basis for a borough land management and development function. In the Matanuska-Susitna borough, land sales have been a significant source of revenues.

conflict and competition, but change the terms of reference. At a minimum, the law insures the boroughs' claims to specified functions. But the law does not specify the precise extent and limits of borough authority relative to that of the city and school board. The way is thus left open for further adjustments and accommodations with the results depending on the particular alignments of forces, the effective claims and counter-claims, present in individual boroughs at a given time. When accommodations cannot be reached locally, and the same conflicts persist, then efforts may be made to change the law itself.

Education and Borough Organization

The borough was "assigned" the responsibility for public education, yet school boards retained electoral autonomy and have, compared to arrangements during the territorial period, increased their fiscal independence. Territorial law had required the elected school boards to submit proposed tax measures and budgets to city councils for approval. This applied both to city school districts and to independent school districts with jurisdiction extending beyond city limits. Borough assemblies inherited budget approval authority from the cities, but unlike the cities, they lack authority over other significant local functions which might counterbalance school board demands for borough resources. And during the brief period in which boroughs have existed, the school interests have succeeded in narrowing the scope of borough approval authority over school budgets.

There was some question at the time of statehood whether school boards would be needed after borough assemblies were organized. Particularly if education was to be the only significant borough function, it appeared to some that there would be little justification for separate school boards.⁶

⁶See PAS, Local Government, op. cit., pp. 64-5.

On the other hand, education officials took the position that boroughs might be created simply as reconstituted independent school districts, called "school boroughs." Their view was that education was a state, not a local, responsibility, and that the state Board of Education should take the initiative in defining school borough boundaries and establishing the new school units.⁷ A "school borough" was, in effect, created with incorporation of the Haines borough in 1968.

Education was and remains by far the most costly function of local government. As a young and relatively undeveloped state, Alaska's need for investment in capital facilities of all kinds, including schools, has been and remains very great. After statehood, pressures from the bond market to clarify the status of local school organization, together with the interest of school officials in ensuring their independence, led to efforts by the state Board of Education to establish "school boroughs." The Board drafted legislation for this purpose in 1961.⁸ Concurrently, the state Local Affairs Agency and the Boundary Commission were preparing their own proposals for borough legislation. The Borough Act of 1961 was, in effect, a compromise between the school and the "general" government concepts of the borough. While the borough, formally and legally, is an areawide unit of general government, its major function is consigned to a separate school board and administration.

The school organizations have continued to press for greater autonomy, and have succeeded in modifying school and borough legislation to reflect

⁷ See Erik L. Lindman, and others. A Foundation for Alaska's Public Schools, Report of a Survey for the Alaska State Board of Education (September, 1961), pp. xvii-xxi.

⁸ See Alaska, Local Affairs Agency, Alaska Local Government, Vol. I, No. 8 (December, 1961).

their interests. Thus, for example, borough assemblies may not force centralized treasuries and accounting systems on the school administration, and the assembly's approval of the budget level covers only those revenues contributed by local sources. Moreover, school officials seek additional restrictions on the assembly's role in school design, construction, and rehabilitation.⁹

Within the current statutory framework, room still exists for maneuver by both borough and school interests. The borough assembly may use even its restricted budgeted approval authority to influence the mix of educational programs to be financed. At the same time, the school board and administration may extend their effective authority further into the selection of sites and architects, construction activity, and plant rehabilitation and repair, both by claiming greater expertise and on the strength of their routine daily supervision over all school affairs.¹⁰

Conclusion

The state legislature was not able to provide clear-cut definitions of borough authority for the educational function. It has been able only to mediate interest conflicts and devise compromises between the opposing parties; it has not eliminated the sources of conflict. These are inherent in the system of dual responsibility for a single function, where separate organizations compete for control. Further, critical details of operation which determine practical advantages for one side or the other are neither easily foreseen nor directly susceptible to treatment by a legislature

⁹ Cf. Cease and Saroff, op. cit., pp. 59-64, 232-34.

¹⁰ A product of successful school board negotiations with the borough assembly for control over such matters is Resolution No. 32 of the Greater Anchorage Borough, adopted December 21, 1964. The resolution is reprinted in Cease and Saroff, op. cit., pp. 425-30.

responsible for writing general laws. Finally, the ideology of school separatism influenced the content of the general law and placed the borough in an ambiguous position between school districts and cities.